

**COLLATERAL ENHANCEMENT PROGRAM (CEP)  
FOR CREDIT UNIONS**  
**Borrower's Information and Certification Form**



Department of  
Development

**Borrower's Information** (Form to be completed by the Borrower and submitted to Credit Union)

Contact Name:		Contact Title:	
Company Name:		Email Address:	
Address:		Phone #:	
City:	State:	Zip:	County:
NAICS Code:	Fed.Tax ID#:	SIC Code:	EIN:
The Company is: <input type="checkbox"/> For-Profit <input type="checkbox"/> Nonprofit		Type of Business:	
Revenues in the Last Fiscal Year: \$		Revenues Currently: \$	
Year Started:		Year Incorporated:	
Is the borrower a minority- or woman-owned business?: <input type="checkbox"/> Yes <input type="checkbox"/> No			
If yes, which category?:		<input type="checkbox"/> African American	<input type="checkbox"/> Hispanic <input type="checkbox"/> Native American
		<input type="checkbox"/> Asian American	<input type="checkbox"/> Woman
Is the borrower a certified Minority Business Enterprise with the State of Ohio or other reciprocal certification?: <input type="checkbox"/> Yes <input type="checkbox"/> No			

**Note:** Information given with respect to Borrower's location and ethnicity will not be used to determine program eligibility.

Current # of Full-time Employees:		Current # of Part-time Employees:	
# Full-time jobs to be created in 1 yr:		# Part-time jobs to be created in 1 yr:	
# Full-time jobs to be created in 3 yrs:		# Part-time jobs to be created in 3 yrs:	
Current # of Full-time jobs to be retained:		Current # of Part-time jobs to be retained:	
Average hourly wage for Full-time:		Average hourly wage for Part-time:	

**Note:** Full-time is more than 2,000 hours per year;  
Part-time is less than 2,000 hours per year;  
Created jobs cannot be transfers from another facility in Ohio;  
Retained jobs are current employees who will be laid off if the Credit Union's loan is not received.

**Borrower's Certification and Acknowledgement**

Borrower certifies and acknowledges that:

1. Proceeds from the credit union loan will be used for a "business purpose." A business purpose includes, but is not limited to, start-up costs, working capital, business procurement, franchise fees, equipment, inventory, as well as the purchase, construction, renovation, or tenant improvements of an eligible place of business that is not for passive real estate investment purposes. The definition of business purpose excludes activities that relate to acquiring or holding passive investments such as commercial real estate ownership, the purchase of securities, and lobbying activities as defined in Section 3 (7) of the Lobbying Disclosure Act of 1995, P.L. 104-65, as amended.
2. The loan proceeds will not be used to:
  - a. repay delinquent federal or state income taxes unless the borrower has a payment plan in place with the relevant taxing authority;
  - b. repay taxes held in trust or escrow (e.g. payroll or sales taxes);
  - c. reimburse funds owed to any owner, including any equity injection or injection of capital for the business' continuance; or
  - d. purchase any portion of the ownership interest of any owner of the business.
3. The Borrower is not:
  - a. an executive officer, director, or principal shareholder of the credit union;
  - b. a member of the immediate family of an executive officer, director, or principal shareholder of the credit union,<sup>2</sup> or
  - c. a related interest of such executive officer, director, principal shareholder, or member of the immediate family.

1. If yes, then please attach a copy of the Ohio Minority Business (MBE) Certification or other state reciprocal certification. MBE certificates can be found at [www.das.ohio.gov/eod](http://www.das.ohio.gov/eod). A list of reciprocal certifying entities can be found at the CEP website.

2 The terms "executive officer," "director," "principal shareholder," "immediate family," and "related interest" refer to the same relationship to a credit union as the relationship described in part 215 of title 12 of the Code of Federal Regulations, or any successor to such part.

4. The Borrower is not:
  - a. a business engaged in speculative activities that develop profits from fluctuations in price rather than through normal course of trade, such as wildcatting for oil and dealing in commodities futures, unless those activities are incidental to the regular activities of the business and part of a legitimate risk management strategy to guard against price fluctuations related to regular activities;
  - b. a business that earns more than half of its annual net revenue from lending activities; unless the business is a non-bank or non-bank holding company certified as a Community Development Financial Institution;
  - c. a business engaged in pyramid sales, where a participant's primary incentive is based on the sales made by an ever-increasing number of participants;
  - d. a business engaged in activities that are prohibited by federal law or applicable law in the jurisdiction where the business is located or conducted. (Included in these activities is the production, servicing, or distribution of otherwise legal products that are to be used in connection with an illegal activity, such as selling drug paraphernalia or operating a motel that knowingly permits illegal prostitution); or
  - e. a business engaged in gambling enterprises, unless the business earns less than 33 percent of its annual net revenue from lottery sales.
5. No principal<sup>3</sup> of the borrowing entity has been convicted of a sex offense against a minor (as such terms are defined in section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. 16911)).
6. The Borrower is aware that it has been offered a loan by the credit union which will have an Ohio Department of Development CEP collateral enhancement. The purpose of the Collateral Enhancement Program is to assist a credit union in making loans to Borrowers that otherwise might not qualify for such loans due to a collateral value shortfall. The Collateral Enhancement Program allocates up to 50 percent of the proposed loan amount to assist the credit union in covering losses on the loan in the event of default. The Borrower must pay a Collateral Enhancement Program fee of 2 percent of the collateral enhancement amount.
 

The Ohio Department of Development is not a party to the loan and plays no role in the credit union's decision regarding whether or not to make the loan, or in the setting of the interest rate, fees, duration, or any other terms or conditions of the loan. The credit union's rights and remedies are delineated in the loan agreement between itself and the Borrower and in laws applicable to any financing. The Ohio Department of Development is not involved in any decision by the credit union with respect to enforcing the credit union's rights under the loan agreement. However, the Ohio Department of Development has rights of subrogation. In the event a claim is made by the credit union on the CEP loan, The Ohio Department of Development may exercise its right to continue collection efforts.
7. This form and its information will be provided to the Ohio Department of Development. This form and its supporting loan documentation may also be provided to the U.S. Department of the Treasury Inspector General, subject to the U.S. Right to Financial Privacy Act (12 U.S.C. § 3401 et seq.) and borrower grants the credit union permission to provide the loan documentation.
8. The Ohio Department of Development may contact the Borrower to determine the status of its projected employment numbers.

Authorized Signature \_\_\_\_\_ Date \_\_\_\_\_

*(Authorized signer certifies and attests to numbers 1 through 5, and acknowledges numbers 6 through 8)*

Printed Name and Title \_\_\_\_\_

**Attention Credit Unions**

Email form to: [CEP@development.ohio.gov](mailto:CEP@development.ohio.gov)

- or -

Mail form to: Manager, Office of Business Assistance,  
Ohio Department of Development  
77 S. High Street, 24<sup>th</sup> Floor, P.O. Box 1001, Columbus, Ohio 43216-1001  
or fax form to: (614) 466-4172  
For information, please call (800) 848-1300 ext. 65700

The State of Ohio is an Equal Opportunity Employer and Provider of ADA Services.

<sup>3</sup> For the purposes of this certification, "principal" is defined as "if a sole proprietorship, the proprietor; if a partnership, each managing partner and each partner who is a natural person and holds a 20 percent or more ownership interest in the partnership; and if a corporation, limited liability company, association or a development company, each director, each of the five most highly compensated executives or officers of the entity, and each natural person who is a direct or indirect holder of 20 percent or more of the ownership stock or stock equivalent of the entity."